

## **MEETING #24 May 5**

At a Public Hearing on the Budget of the Madison County Board of Supervisors held on May 5, 20085 at 7:30 p.m. in the in the Madison County Administrative Center Auditorium:

PRESENT: Eddie Dean, Chairman  
James L. Arrington, Vice-Chairman  
William L. Crigler, Member  
Bob Miller, Member  
Clark Powers, Member  
V. R. Shackelford, III, County Attorney  
Lisa R. Kelley, County Administrator  
Teresa Miller, Finance Director

Chairman, Eddie Dean called the meeting to order and noted the presence of a quorum.

Chairman, Eddie Dean stated there might be some difficulty in the sound system and also advised there have been some changes in the budgetary process over the previous years based on recommendations from consultants and auditors.

Chairman, Eddie Dean also advised the changes involve various areas and stated that he will try to answer all questions as precisely as possible and also advised that Lisa Kelley, County Administrator, and Teresa Miller, Finance Director, are both present tonight to assist with any questions.

Chairman, Eddie Dean proceeded with the following comments:

1. The debt service for the Madison County High School and the Wetsel Middle School project(s) that was implemented several years ago has been moved to the school budget instead of being listed in the existing budget as a "County expense."
2. The capital improvement procedure has been changed in that during the past budget there was \$400,000.00 listed for a "capital fund" and will now list all County monies in a capital fund for "capital expenditures" rather than simply list the funds as "expenditure."
3. There was an error denoted in the Madison County Sheriff's Department budget due to a formula not being reproduced correctly; therefore, \$32,675.00 will need to be added to the Sheriff's Department budget (i.e. VRS money that was listed in error).

4. There will no longer be a separate department listed for Animal Control and Animal Shelter as these have been combined into one (1) department.

5. Courtroom security has been removed from the Sheriff's Department Budget and placed in a separate category as recommended by the auditors as this is funded separate and will provide better tracking if listed separately.

Chairman, Eddie Dean stated as the Public Hearing gets underway, it is the intention of the Board to allow everyone to express an opinion should they so desire; he stated the Board will not take any action on any budgetary procedures, as the Board will continue in order to determine a tax rate which must be published for thirty (30) days (state mandated) and this will be done later tonight depending on the length of tonight's session. In closing, he stated the tax rate that is set will be adjusted from the equalized rate (i.e. as required after a reassessment).

Chairman, Eddie Dean further explained the equalized rate and stated that no new revenue can be generated from the reassessment process.

In closing, Chairman, Eddie Dean stated there may be a need to increase the tax rate; however, if the Board doesn't advertise a tax increase for thirty (30) days, the tax rate cannot be changed, but if a five percent (5%) or five cent increase is advertised, this will be the maximum amount the tax can be increased (i.e. one to five cents); however, the actual tax rate will not be set until sometime in June 2008.

Chairman, Eddie Dean asked that anyone wishing to speak at tonight's Public Hearing to please come to either of the podiums and to speak clearly, keep comments concise and respectful, and hold all comments to a three (3) minute time limit – anyone desiring a second time to speak will have to come after everyone speaking for the first time has had the opportunity to do so – all comments should be addressed to the Board and the Board will refer to the appropriate person should further information be required.

Chairman, Eddie Dean stated the budgetary process is very complex and a lot of time has been spent on this process.

Chairman, Eddie Dean then opened the floor for comments.

David Henken of Criglersville was present and commented on statements made regarding the reassessment, advertisement process for any proposed tax increase;

he advised there is a shortfall from the state this year due to a reassessment of Madison County's ability to pay (\$200,000.00 -\$300,000.00); therefore he suggested the County tax rate be increased to the amount that will actually allow for a real flat line of the School Board's budget for this year – he feels this is a budgetary issue and can be an acceptable compromise. Secondly, he suggested the County Administrator work with the School Superintendent to ensure that all budgetary requirements sought by the Madison County Board of Supervisors can be incorporated into future budgets in a structured manner without any complications.

Janet Herr of the Rapidan Better Housing Corporation was present and stated the corporation is a non-profit housing corporation and receives funding from the Virginia Department of Housing but no administrative funding; therefore, the corporation asks each County for support of a consistent amount. In closing, Ms. Herr also advised that Madison County provides office space for the corporation, and she is very grateful for this service.

J. W. Griffith of Aroda was present and commented about statements in the recent publication of the Madison County Eagle that pertained to certain items that were going to be cut from the Madison County School's budget – he advised that all line items were very important, however, he was gravely concerned about funding for students to attend the Virtual Governor's School; he stated his son worked extremely hard to gain the opportunity to attend the school; therefore, he would like to see funding remain so other students can have the opportunity to attend.

Ena Scott of Criglersville (MCHS Senior) was present and questioned whether there was any unnecessary spending that could be redirected back into the school system such with regard to the fields situated behind the Madison County Primary School.

Bonnie Goode from the Madison County Library was present and stated the Library serves all citizens of Madison County for an average cost of \$6.72 per person; the citizens have access to various research materials, communication, and educational resources (i.e. videos, books, audio, etc.); she advised there was a local family who utilized 246 books during the past nine (9) months and twenty (20) movies. In closing, she advised the facility is being used and does provide a unique service to the County and

there have been over 40,000 items checked out during the past nine (9) months.

Nancy Demarest of Haywood was present and also spoke on behalf of the Madison County Library and thanked the Madison County Board of Supervisors on behalf of the Board of Directors of the Madison County Library for continued support of the library programs. She advised the library is a small part of the overall County budget and utilized only one-fourth of one percent of the total County budget; she advised budget cuts implemented by the State proposed a cut to the library's budget; however, as a result of the increased funding provided by the Madison County Board of Supervisors, the Madison County Library will be operating at a total decrease of less than \$1,000.00 for the upcoming year. In closing, she stated that cost increases for utilities and in other areas, it is anticipated the library will not have to limit services that are currently being provided; overall, as a result of annual fundraisers, fall auctions, donations and book sales, the library has worked to augment the County and State budget by almost \$20,000.00 for which they are most proud of.

Chairman, Eddie Dean stated there were some handouts posted which he read with regard to County funding to the school system; he advised the Madison County Board of Supervisors does not establish salaries for school teachers or otherwise, control the school board's allocation of funds or any other expenditures – he stated the Madison County Board of Supervisors contributions to the school system are delivered in lump sum amounts and it is the responsibility of the Madison County School Board to implement judgment as to how best to allocate available funding toward school expenditures.

Kim Smith of Brightwood was present and provided input as how best to implement specificity during the budget process, as it isn't fully known what a lot of the departments (County) and some of the programs that are being provided in various departments (i.e. Social Services, Emergency Medical Services, Volunteer Services, Sheriff's Department).

Chris Miller of Lost Valley was present to represent the Aging Together Partnership and thanked the Madison County government and the Madison County Board of Supervisors for all the support that has been provided to the Aging Together Partnership since the formation of the partnership; she asked the Madison County Board

of Supervisors to consider the existing request from the partnership for funding and stated the request was developed by using a population formulation created by the Regional Commission for all localities. In closing, she thanked Madison County for a willingness to participate in the partnership; she advised the existing funding request will allow the partnership to drawdown \$750,000.00 from the Robert Woodcock Johnson Foundation, and further explained specifics of the position created to solely assist citizens in Madison County, the teens in Madison County, a family volunteer transportation network, and information for senior citizens and their families and the continuation of a medical prescription program in Madison County (i.e. free prescriptions).

Claire Jackson of Madison County (MCHS Junior) was present and stated she has been fortunate enough to have the opportunity to participate in many activities in the school system that wouldn't be possible without funding the County provides to the school system (i.e. MCHS Band and Forensics); therefore, she stated these activities have made high school fun for her and she hopes these programs will continue for many years to come. She fears that non-curricular activities (i.e. Band, Forensics, sports) will be cut during the upcoming year in order to have available funding for classroom instructional needs; however, she stressed the non-curricular activities enrich the high school experience. She verbalized concerns with regard to many residents living below the poverty line and feels is families are forced to provide funding in order for their children to participate in activities, this will be ultimately impossible; therefore, she asked if there was any way to increase school revenue and although compromises may be necessary, is there anything that can be done to prevent this from occurring in the future.

Chairman, Eddie Dean advised that the state legislature has a lot more tools to produce revenue than a local government has; he also stated it would be most helpful if the state would stop taking local funding at the expense of education – local funding is basically restricted to personal property tax, real estate tax, and automobile decals, etc.

Kathy Clements of the Hospice of the Rapidan was present and thanked the Madison County Board of Supervisors for the continued support given as she recognized this will be a tough budgetary year for most organizations.

Brian Duncan, Director of the Rappahannock-Rapidan Community

Services Board & Area Agency on Aging, was present along with Bill Tidball; he provided a brief overview of the services the agency provides to Madison County (approximately 500 citizens) during the past year.

Kathy Haynes was present and stated she has three (3) children in the Madison County school system; she advised her family moved to Madison County three (3) years ago specifically for the excellent school system; she is aware there is an anticipated funding reduction at the state and federal level and encouraged all that are present to encourage the Board to contact state legislatures to determine what can be done to assist; she also advised she has children involved in band and forensics – she stated these activities not only make school a more enjoyable experience but also enriches the student's academically (i.e. public speaking). In closing, she stressed the fact the students are our future – they will be running the County, state and County, and feels the citizens of Madison County should do everything possible to make sure they have the tools they need to succeed.

Jack Fray, Chief of the Madison Fire Department was present and thanked the Madison County Board of Supervisors for past support; he advised the Fire Department has not requested an increase from the County for additional funding – he stated the department has requested \$82,000.00 from the County; however, the increase noted in the publication in the Madison County Eagle is a projected increase based on property insurance which may or may not materialize based upon state law that allows for a portion of insurance premiums to be reimbursed to localities.

Chairman, Eddie Dean apologized for not noting the factors as verbalized on behalf of Jack Fray for the Madison Fire Department; he also noted that funding for the volunteer services is the same as during past year; however, any increase is dependent upon state grant funding provided to the volunteer services.

Jean Kane of Brightwood was present and stated she's like to see everything done well in Madison County; however, she also recognized the County's source of income is not unlimited as the income based in the County does not begin to keep up with the tax growth in the County's. She stated she values the County's children and wants them to have the best future possible, but feels the County has to be conscience of the fact that when competing with surrounding localities whose income is thirty

percent (30%) to sixty percent (60%) higher than Madison County, some competitive gains might be lost. In closing, she stated it isn't that she doesn't value the worth of good teachers and the student's worthiness, but how does one ask the low and middle income citizens of the community to manage to support something that is growing at five times the rate of personal income as this is virtually impossible

Dave Mickelberry, Captain of the Madison County Volunteer Rescue Squad, was present and thanked the Madison County Board of Supervisors for the continued support and advised the funding for the organization will remain level – the one percent (1%) increase is due to an increase in the state motor vehicle registration fees; he also commented on the excellent level of care provided to the citizens of Madison County on behalf of the volunteer staff and funding will also be utilized to purchase fuel, possible new ambulatory equipment to serve the County and volunteers aren't paid for the services they provide to the County; however, he stated the volunteer squad pays the insurance on the vehicles being utilized and all fuel costs, training, stand-by services, etc.

Don Foster of the Reva Volunteer Fire Department was present and thanked the Madison County Board of Supervisors for the continued support over the past several years; he advised the organization is ready and willing to assist Madison County with back-up assistance whenever needed.

Elizabeth Bevins, Executive Director for SAFE (Services to Abused Families) was present and stated the organization is located in Culpeper but provides services to the five (5) surrounding Counties; she advised the organization is now responsible for intervention, prevention and education for all domestic violence and sexual assault services within the five (5) Counties and stated current funding provided by Madison County is \$3,400.00 which is greatly appreciated and stressed the importance of breaking the cycle of violence in the home environment. In closing, she stressed the importance of teaching and empowering our children to respect themselves and strive for the best out of life in their interactions with others; she also advised that young males need to be taught how to respect women and encouraged the Board to continue to support the efforts of the organization as domestic violence is still on the rise.

Claudia Vento (Culpeper) of the Rappahannock-Rapidan Medical Reserve

Corp was present and thanked the Madison County Board of Supervisors for including the organization in the County's budget; she further stated the organization serves five (5) surrounding counties with providing supplemental services (i.e. emergency services, public health, and train volunteers to assist in the event of a public health emergency).

Doug Jones, Superintendent of the Rappahannock Juvenile Detention Center was present and thanked the Madison County Board of Supervisors for their continued support during the fiscal year as there was a significant increase from Madison County due to the detention's debt service; he stated he is proud to announce that during the coming fiscal year, there is a reduction in the request and he added the County did provide \$20,000.00 for "true up" and it looks as through this amount will not be utilized at this point although he stated it appears to be a good decision to include this funding.

James Arrington, Board member, thanked Mr. Jones for all his effort and hard work at the Rappahannock Juvenile Detention Center.

Paul Morgan of Madison (former retired military and Wetsel Middle School teacher) was present and commented that he feels the County should "bite the bullet" and increase the school's budget now or be penalized later, as competitive teacher salaries are necessary in order to attain/retain the finest teachers for the students of Madison County. He commented on the budget process and also stated the schools have not been renovated in quite some time and encouraged improvements. In closing, he advised there are several teachers present; however, although he doesn't have any children in the school system any longer but strongly supports the efforts of the teachers.

Bill Downs, Executive Director of the Thomas Jefferson EMS Council was present and stated the council is one of eleven councils that serve the Commonwealth of Virginia since 1978 – the organization's primary goal is to plan, implement and coordinate an efficient/effective emergency medical care delivery care system in Madison County and localities of planning district ten; he further elaborated on the programs offered by the council and stated the organization works closely with William L. Crigler, the Board's liaison to the TJ EMS Council Board of Directors, as well as Audrey Snyder, Volunteer Rescue Squad representative to develop regional plans and programs. In closing, he thanked the Madison County Board of Supervisors for their continued support.



Haley Bader of Banco (MCHS student) was present and stated the school is one of the most important things in the community of Madison County and feels the same amount of funding should be added to the school's budget as was incorporated during the last fiscal year; she stated that some of her best teachers came from Madison County. In closing, she stated that several of the students who are enrolled in school here will eventually teach in the community. She also stated the programs offered within Madison schools will impact her future.

Doreen Jenkins of Haywood was present and advised that she has served on the Madison County School Board for six (6) years and stated she ran for the school board because she wanted to be an advocate for the children in an effort to help provide them with the best education possible; she summarized her comments and stated the school board has been fiscally responsible and quality youth and leaders have been produced from the school system. She stated the budget presented by the school system is not filled with "flawed priorities" as indicated by the Madison County Board of Supervisors. She commented on several incidents that have occurred within the school system over the past several years which implemented recognition of several Madison County students as well as staff members. In closing, she stated the school system has a lot to be proud of and this should be continued, and feels that Madison County has the leaders, teachers and the tools that are necessary and would like the ability to use them.

Dave Oberg, Regional Director of the Virginia Education Association was present and thanked the Board for the opportunity to speak in a public setting. He shared a personal achievement (significant weight loss) and stated the educational system is the "breakfast" of the community; therefore, he suggested when education is being funded, one is "eating their breakfast" and when this funding is skipped, one isn't "eating their breakfast" – a little money might be saved in the long run, but overall, costs will increase. In closing, he advised when funding is asked for education, it's not because of greed or priority, it's because of the recognition that our future is our children – he feels that most of the people in the community of Madison County feel the same way and thus, hopes the Madison County Board of Supervisors will consider this factor.

Daniel Gomboli-Mett was present and asked that everyone reflect on all the students that came from Madison County who have been extremely successful

because of participating in forensics, sports, etc. that were offered in the school system. She complimented the teachers in Madison County and stated the teachers and students really care. In closing, she strongly asked the Board to think about their grandchildren and the other children when thinking about the budget funding – they are all our future.

Bill Campbell of Graves Mill was present and commented on the passion being expressed by the citizens tonight; however, he stated he didn't believe there was a single thing in the County budget that isn't justified by someone; he also believes the children are our future and he stated he knows people who came from poorly funded schools that have become doctors, lawyers, astronauts, generals, teachers, etc. He stated he has four (4) children and ten (10) grandchildren; however, he stated at the existing rate the County is moving forward financially, 85% of his grandchildren's earnings will be depleted by some form of taxes which is reprehensible. He stated if the County currently plans to provide funding for everything in the schools and various departments, the future debt service cannot be accommodated by County resources as there is no type of manufacturing within the County to provide such resources – all revenue comes from some form of taxes. He stated the Board has a very tough job as there is no more property being made available in Madison County, as the acreage is the same as it has been for quite some time; therefore, revenue comes from real estate within the County = the tax burden will have to be shared amongst the citizens and whatever the citizens want is what "the citizens will have to pay for."

Leigh Purdum was present and thanked the Board for manufacturing a new county code for procurement policy; she also asked the Board to be studious with County funding – when a line item is occurred for office supplies, the department should not be purchasing a car from the line item; additionally, she asked the Board to carefully monitor the purchases and please look at the overtime policy established within the County. In closing, she feels that a policy should be in place for overtime and a policy to monitor take-home vehicles (non essential personnel).

Mark Legindig (MCHS teacher), President of the Madison County Education Association was present and commented that he has concerns that the school can manage on the amount of funding that is being proposed; however, he stated that he desires to have a long teaching career in Madison County, although based on comments

made at tonight's meeting, it doesn't appear that Madison County just does "good enough" which makes the County so effective. He stated there has been a salary increase proposed which is nothing more than level funding – he feels that most teaching staff would accept change to the composite index in order to make other options more available to Madison County. In closing, he stated he feels that Madison County can do more than "simply get by" – if this is all that will be accomplished, there will be major problems within the school system in months/years to come (i.e. loss of effective teaching staff, substitutes, bus drivers, etc.); he asked the Board to look closely at the issues that need to be addressed.

Tommy Utz was present on behalf of the Madison County Farm Bureau, and read a letter thanking the Board for its past commitment of reducing the value of farm machinery for tax purposes and asked for the same schedule to be utilized during the upcoming year.

Jeff Early, Commissioner of Accounts, stated his request does not include a request; he also represented the Madison County School Board (Chairman) and commented on the school enrollment and how this makes up a large part of the County; he also commented on the students who spoke at tonight's meeting and stated such speaking expertise can only be accomplished with teaching as instruction makes up about 72% of the schools overall budget. He also commented on state mandates and feels that local legislatures need to be contacted regarding how these funds can be utilized; he also stated that education needs to be a priority in the upcoming budget – he also commented on the increases noted in the County Administrator's Office (18.82% increase), Management Consulting Services (100% increase), Finance Director's Office (30.86% increase), Accounts Payable (5.15% increase), Payroll Technician (100% increase) and quite a few increases are more than just 2.5% which is the base. In closing, he stated the Capital Improvement Fund denotes \$100,000.00 in funding set aside for Hoover Ridge, \$50,000.00 in funding for the Kemper Mansion, \$100,000.00 in funding for the County Administration Center, \$1,200,000.00 in funding for Capital Reserve, and suggested some of those areas be cut as there isn't much in funding coming from the state and placing a hold on some of those projects in order to fund education to the extent that will enable school personnel to be in line with other County employees (2.5%).

Jerry Butler was present and suggested the County cap payroll expenses according to Virginia Code; he also advised the salary for the lowest Constitutional Officer that ran for office is \$65, 479.00 proposed for this year and the highest paid Constitutional Officer is \$114,000.00; therefore, he suggested that county employee salaries be capped at 90% up to 125% of the lowest Constitutional Officer's salary. In closing, he suggested a policy be established with regard to capping employee salaries and cap the scale at a percentage of the salary for the highest paid County employee.

Caroline Watts, Clerk of the Circuit Court was present and stated she is a former Madison County student and commended the students on the signs they are wearing at tonight's meeting as "they are worth it." Additionally, she stated that good suggestions have been made tonight; she thanked the Board for their continued support and stated she is level funded with the COLA and verbalized concerns of her staff as they look at what is going on within County Administration. She also stated that some of the concerns denoted by Jeff Early are the same things that she wanted to point out (i.e. various level increases). In closing, she advised that every individual working for the County will say "they and their staff are worth it" – however, she stated she has concerns about the disparities that are evident in what the County's proposed budget is.

Nan Coppedge of Etlan (Director of the Department of Social Services) was present and stated the budget request for her department is actually less than what was requested during the past cycle (\$35,000.00 less than last year) and advised that \$375,000.00 of this year's request is the local share which is determined by specified matching amounts of state/federal monies. She also provided a brief overview of the programs her department is responsible for administering within Madison County (i.e. programs for families/children at risk of behavioral/emotional problems, comprehensive services, etc.).

Jim Byrne of the Culpeper Soil & Water Conservation District was present and provided a brief synopsis of the benefits of the conservation district to Madison County.

Robert Legge of Etlan was present and stated he worked on a committee a few years ago that was responsible for updating the economic development portion of the County's Comprehensive Plan and provided a brief overview of the objectives of the

committee; however, he stated the future of Madison County's economic development will come from the schools; he also identified some major strategies denoted in the County's Comprehensive Plan as well as those pertaining to the local school and colleges to link educational programs to the needs within Madison County. Additionally he advised it is denoted in the document that it is the intention to make Madison County Administrator a locality of educational excellence for our youth; however, he denoted the Comprehensive Plan is non-binding but it appears that each Board member signed off on the document therefore, it is the belief that the Madison County Board of Supervisors believes in the idea of great public schools and feels this is important for the economic future of Madison County. In closing, he stated he feels there are some potential economic opportunities that might be available in the years ahead; however, the majority of those opportunities will not be derived from zoning changes, vocational training or industrial parks, but rather will surface from the public school system – he feels with the proposed reduced school funding, teachers will still return, however, he asked if there could be come assurances that this year's fiscal restraints will not be routinely repeated in the future.

Jim Nelson, Vice-Chairman of the Madison County School Board was present and provided a list of adjoining Counties who will all have budgets approved and adopted by May 13, 2008; therefore, he questioned why it will take Madison County until about the end of June to move forward with approval; additionally, he stated the school system has been criticized for having a surplus at the end of each budget calendar, to which he stated is needed as the school system does not have a contingency reserve in place. Additionally, he stated there have been comments that school funding isn't being utilized wisely, which isn't so; lastly, he commented on a question presented by, MCHS Senior, Ena Scott, with regard to funding for Hoover Ridge and advised there is \$100,000.00 in the budget for this project in the new budget.

Chairman, Eddie Dean advised that he did not intend to provide any misinformation to Ena Scott (MCHS senior) with regard to her questions pertaining to the Hoover Ridge Project; he stated the \$100,000.00 denoted in the proposed budget is a projected budget for the project; however, whether these funds will remain in this line item is not yet determined.

Chairman, Eddie Dean responded to Mr. Nelson's questions with regard to the approval time for the Madison County 2008-2009 budget and advised the Madison County Board of Supervisors is following the legally required procedure.

Sharon Taylor of Malvern was present and stated she has had children in the Madison County school system since 2000; she provided an overview of the experiences she and her children have with regard to the efforts demonstrated by staff in helping students excel in the area of reading; she stated this high standard of excellence is exemplary for Madison County and have enabled the students to master the art of reading during the early years in order to be more successful during the later years. In closing, she expressed sincere appreciation for all the hard work demonstrated by the teachers, assistants and volunteers, therefore, fears of losing the Book Buddies Program and other staffing positions will greatly hinder the existing level of reading progress and if children aren't able to read at or above grade level, this will only present a negative impact in later years. She stated there are areas in the budget that very well may need to be considered and evaluate based on priorities; she also stated her children have been involved in sports programs through Madison Parks & Recreation for the past (5) years and she applauded the Board for investing in the Hoover Ridge Project as her children will be playing on those fields for many years to come.

Nita Collier of Brightwood was present and stated she and her husband are raising three (3) kids; she stated her two (2) older children attend Madison County schools and they are loved, cared for, and well educated by highly qualified teachers in the Madison County Public School System who need to be retained in the local school system. In closing, she and her husband wholeheartedly support the Madison County School System and expect the Madison County Board of Supervisors to do the same as the elected public officials – "our children are our future."

Frank King of Wolftown was present and stated he is here to support the teachers, parents, and students of Madison County; he advised that he owns driving school that serves seven (7) counties and over (300) students per year. He stated that he has heard repeated remarks about Madison County being a "good school system" and about the downfalls in other school districts; he remarked about Madison Pride and also feels the greatest thing Madisonians are proud of is the school system and what has been

accomplished during the past eight (8) years. In closing, he stated the positive attributes were accomplished through the efforts demonstrated by the Madison County School Board and the Madison County Board of Supervisors; therefore, he challenged the Madison County Board of Supervisors to give the Madison County School system the necessary funding required to keep the county strong and ahead.

Timmy Taylor of Rochelle (MCHS Coach) was present and stated it is apparent these are difficult times with seniors on fixed incomes and families that have several children to care for. Additionally, he stated when he and his wife were deciding which locality they wanted to raise their children in, they first looked at the educational attributes by each school system and chose Madison County because of its reputation; he advised that he and several others present tonight grew up here and have remained here for quite some time; he referenced about the success in athletics, teachers, and students and then commented on the need to retain the great teachers. He stated there are several school districts that do not assist with helping students be successful; however, Madison County is able to help its students succeed therefore, he strongly urged the Madison County Board of Supervisors to find the school system to promote Madison Pride. In closing, he commented on the proposed departmental increases as denoted in the County's budget and added that only four (4) departments show a decrease in funding; therefore, he asked if education was important or was County government more important. He stated he and many others love Madison County and strongly urged the Madison County Board of Supervisors to choose whether to fund education and support the children by seeing if funding can be moved from other categories to ensure a future for Madison Pride.

Judy Ann Fray was present and stated she was the Recycling/Litter Prevention Coordinator for Madison County for nineteen (19) years – she provided an overview of the recycling program; she read the proposed budget denotes there is no funding for the future recycling program. She stated the work she currently does is public relations closing with questions pertaining to recycling of plastic – she hopes the funding that was utilized to fund the recycling budget will be attributed to the school system budget. In closing, she advised there are two (2) teachers who are interested in initiating a recycling program within the school system – there is much awareness of

everything being “green” with regard to the environment.

Tonya Taylor of the Madison County School Board was present and concurred with comments made by her husband (Timmy Taylor) with regard to determining which locality to reside in; she advised a special thing about Madison County is the fact that a lot of students leave after graduation to accomplish great things but then return to complete those great things in Madison County. She stated the school board members actually began the budget process in the late fall of the prior year, perform a lot of analysis, and perform comparative notes with regard to salaries being paid by surrounding localities as opposed to Madison County. She advised the school districts that Madison County performed a salary comparison on have denoted that teachers will earn a raise ranging from 2% to 4.25% with only one (1) district that will not be providing a salary increase for the upcoming fiscal year. In closing, she stated it is significantly less expensive to retain wonderful staff versus losing the wonderful staff that is in place and having to recruit new staff as it is very difficult to find highly qualified teachers to come to Madison County. She stated the cost of living in this area isn't very easy and several existing teachers reside in surrounding Counties and Charlottesville and commute. She feels if no increase is award, the County will have a major turnover issue with many teachers commuting to Madison County as they may well be able to gain potential positions in the other localities. She also denoted changes in the first budget draft as opposed to the recently published version (i.e. deficit) and referenced cuts to various departmental budgets (i.e. Sheriff, School) and several in attendance tonight feel the teachers and students are well worth the proposed increases being sought by the Madison County School system.

With no further comments being made, Chairman, Eddie Dean then closed the floor for public comment.

Chairman, Eddie Dean called for a five (5) minute recess.

Chairman, Eddie Dean reconvened the meeting to discuss the proposed tax rate (i.e. personal property, machinery & tools, merchant's capital, real estate).

Chairman, Eddie Dean the real estate tax one year ago was .59 cents per \$100 assessed value with the equalized rate being at .40 cents; he stated that personal property tax and vehicle tax were changed from average retail value to loan value which



caused an approximate twenty percent (20%) decrease in projected revenue for Madison County.

Chairman, Eddie Dean advised in the Board's discussion of establishing an equalized rate for the aforementioned tax will cause a change in the valuation method on personal property as well as non-personal property.

Chairman, Eddie Dean stated that merchant's capital was frozen by the state legislature in 1978 and has to remain at .86 cents per \$100 assessed value.

Chairman, Eddie Dean stated that personal property rates in surrounding areas range from \$4.28 (Charlottesville) on loan value; \$3.56 (Culpeper) based on trade-in value [middle of the three values for vehicles]]; \$4.60 (Fauquier) based on loan value; \$3.70 (Fluvanna) on trade in value; \$5.00 (Greene) based on loan value; \$2.14 (Madison) based on average retail value; \$2.95 (Nelson) based on trade in value; \$2.20 (Orange) based on average retail value; \$3.00 (Page) based on loan value; \$4.20 (Rappahannock) based on loan value.

In closing, Chairman, Eddie Dean stated an equalized rate for vehicles can be established at \$2.67; the rate for machinery and tools has been established at \$1.10 for the past three (3) years; and the rate for personal property tax has been established at \$2.14 for the past three (3) years.

James L. Arrington asked if the County based tax on vehicles on the average loan value, what effects would this have (i.e. decrease/increase).

Chairman, Eddie Dean stated the loan value will be a difference of twenty percent (20%) off the trade in value; therefore the formula was changed to incorporate the trade in value as citizens were concerned about purchasing a vehicle and the taxes are at a higher rate than what the vehicle was actually purchased for.

James L. Arrington stated he feels the County's tax on automobiles is one of the fairest means of revenue generation that is available to Madison County as it affects every vehicle owner within Madison County however, he feels this process continue and increase the rate.

Chairman, Eddie Dean stated that part of the things that make up personal property (vehicles, motorcycles, etc.) include the following:

1. Business property (\$13,000,000.00)

2. Computer/electronics (\$3,000,000.00)
3. Farm equipment (\$7,144,000.00)
4. Hand power tools (\$280,000.00)
5. Heavy construction equipment (\$6,200,000.00+)
6. Machinery & tool (\$5,025,000.00)

Chairman, Eddie Dean stated that tax rate on real estate has varied from .89 cents to .58 cents per \$100 assessed.

Bob Miller commented on the equalized rate for vehicles based on the valuation method and feels .48 cents would meet the County's needs and suggested this rate be discussed.

After discussion, on motion of Bob Miller, seconded by William L. Crigler, the Board proposed to advertise a capped (not to exceed) real estate tax of .48 cents \$100 assessed, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
William L. Crigler	Aye
Bob Miller	Aye
Clark Powers	Aye

James L. Arrington asked if the Board could balance the budget below the proposed capped rate, would the rate be established at whatever rate would be needed to balance the budget.

Chairman, Eddie Dean advised the rate will be established at no greater than .48 cents in order to accomplish balancing of the 2008-2009 budget.

Bob Miller asked if a reserve would be required, to which Chairman, Eddie Dean stated a reserve is already established.

Chairman, Eddie Dean advised the public hearing has solely been based on a "draft" budget only; however, he stated there is a lot of limitations once the Board advertises a proposed tax rate and the Board will have thirty (30) days to change the rate should it need to be increased.

William L. Crigler asked about advertising the rate for personal property taxes, to which Chairman, Eddie Dean stated will need to be advertised but not with the restriction of being done for thirty (30) days.

V. R. Shackelford, III, County Attorney, suggested the Board advertise all the rates at the same time.

Chairman, Eddie Dean asked if a cap would be established for personal property and machinery/tools, to which V. R. Shackelford, III, County Attorney, advised “yes.”

V. R. Shackelford, III, County Attorney, stated the County’s proposed rate of .48 cents will incur the County some debt, to which the Madison County Board of Supervisors was in agreement with.

Chairman, Eddie Dean asked for discussion on the rate for personal property tax.

Bob Miller stated that \$2.67 was the equalized rate based on the amount of decrease from the assessment rate for vehicles; therefore, he recommended the Board advertise a “not to exceed rate” of about five percent (5%) above the equalized rate; he stated there hasn’t been a change in about three (3) years so the proposed “not to exceed rate” of \$2.80 doesn’t appear to be unreasonable.

V. R. Shackelford, III, County Attorney, questioned how much one percent (1%) of the personal property rate would accumulate.

Chairman, Eddie Dean advised that about \$2.8 million would be generated from a one percent (1%) increase.

After discussion, on motion of Bob Miller, seconded by James L. Arrington, the Board proposed to advertise a capped (not to exceed) personal property tax rate of \$2.80, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
William L. Crigler	Aye
Bob Miller	Aye
Clark Powers	Aye

Chairman, Eddie Dean stated the Board will need to discuss a proposed rate for machinery and tools; he also advised that data was received today on this subject and he would like to have a little time to review this information before a final decision can be made.

V. R. Shackelford, III, County Attorney, stated that a proposed rate can be

advertised.

Chairman, Eddie Dean stated the past rate for machinery and tools has been \$1.10 which has created revenue in the amount of \$62,732.00 which will make a significant impact should the County make any changes to the rate.

James L. Arrington asked what class of equipment was included as machinery and tools.

Lisa Kelley, County Administrator, advised this type of equipment is such as used in the manufacturing process.

James L. Arrington stated that Madison County appears to have the lowest rate for this type of equipment compared to surrounding Counties - he feels that by imposing a slight increase, this will generate additional revenue; however, he'd like to know exactly who will be impacted by any proposed increase.

Chairman, Eddie Dean stated the rate for personal property tax reflects a .73 cent increase which is (about one third of \$2.14); he feels the current rate of \$1.10 can be increased by one-third (about .37 cents) to \$1.47 (capped).

After discussion, on motion of Bob Miller, seconded by William L. Crigler, the Board proposed to advertise a capped (not to exceed) rate for machinery and tools in the amount of \$1.47, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
William L. Crigler	Aye
Bob Miller	Aye
Clark Powers	Aye

Chairman, Eddie Dean stated that the tax rate for merchant's capital has been frozen by the state legislature as a result of legislation passed in 1978, so that has to remain at .86 cents and meals tax at 4%.

James L. Arrington asked how much revenue would be generated from the meals tax rate of 4%, to which Chairman, Eddie Dean advised would total, \$320,000.00 was anticipated on year; however, \$310,000.00 is projected in the proposed budget for 2008-2009.

Bob Miller asked if a motion would be needed for merchant's capital, to which V. R. Shackelford, III, County Attorney, advised would probably be best.

After discussion, on motion of Bob Miller, seconded by Clark Powers, the Board voted to propose the frozen rate for merchant's capital of .86 cents, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
William L. Crigler	Aye
Bob Miller	Aye
Clark Powers	Aye

Chairman, Eddie Dean asked about the meal' tax and what the rate was for the Town, to which it was denoted that the rate is currently four percent (4%) with projected revenue for the next year being about \$20,000.00 which is advertised in the Town of Madison's 2008-2009 proposed budget.

Lisa Kelley, County Administrator, stated based upon concerns demonstrated by V. R. Shackelford, III, County Attorney, the Board might need to discuss concerns pertaining to local decals (i.e. limit).

Chairman, Eddie Dean stated the Board has once thought about doing away with decals, but have not developed the necessary tools for relinquishing sales of County decals as of yet.

There were comments made about the motor vehicle licenses; however, V. R. Shackelford, III, County Attorney, advised the County is at the maximum amount that state code will allow with regard to the aforementioned license; he also advised of other sources of revenue that can be discussed and adopted in the 2008-2009 proposed budget during the month of June.

Chairman, Eddie Dean stated that additional concerns can be discussed after the Joint Meeting on Wednesday, May 7, 2008.

James R. Hale verbalized concerns about the farm equipment tax.

Chairman, Eddie Dean advised that a final decision hasn't been made regarding the elimination of this tax for an additional year for farm equipment; he also advised that changes were made a few years ago to incorporate changes regarding the tax on farm equipment – the Board voted to have taxes paid on said equipment for seven (7) years and continue down (i.e. 6, 5, 4, etc.).

With no further action be required on behalf of the Board, on motion of Bob Miller, seconded by William L. Crigler, Chairman, Eddie Dean adjourned the meeting, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
William L. Crigler	Aye
Bob Miller	Aye
Clark Powers	Aye

Date: May 8, 2008